

Message Text

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ACTION EA-09

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TO SECSTATE WASHDC PRIORITY 4498
INFO AMEMBASSY BANGKOK
AMEMBASSY JAKARTA
AMEMBASSY MANILA
AMEMBASSY SINGAPORE

C O N F I D E N T I A L SECTION 1 OF 3 KUALA LUMPUR 5155

E.O. 11652: GDS
TAGS: PINS, PINT, PGOV, MY
SUBJECT: DOMESTIC POLITICAL NOTES

1. SUMMARY OF CONTENTS. THIS MESSAGE CONVEYS SHORT
REPORTS ON THE FOLLOWING: (A) SAMAD ISMAIL AFFAIR-
POLITICAL REPERCUSSIONS; (B) HARUN COURT CASE CONTINUES;
(C) HARUN AND UMNO; (D) KEY POLICE OFFICIAL AILING;
(E) MAJOR LABOR DISPUTE BREWING; (F) ANNUAL MCA GENERAL
ASSEMBLY; AND (G) NEW POLITICALLY-ORIENTED WEEKLY.
END SUMMARY OF CONTENTS.

2. SAMAD ISMAIL AFFAIR. REVERBERATIONS CONTINUE FROM
JUNE 22 ARREST OF AND SUBSEQUENT CONFESSION OF COMMUNIST
ACTIVITIES BY PROMINENT JOURNALIST AND LITERARY FIGURE
ABDUL SAMAD ISMAIL, NUMBER TWO MAN IN INFLUENTIAL
"NEW STRAITS TIMES" (NST) PUBLICATIONS GROUP.
ON SEPT 2, THE DAY AFTER SAMAD'S CONFESSION WAS
BROADCAST, UMNO SECRETARY GENERAL DATUK SENU ABDUL
RAHMAN ANNOUNCED UMNO WOULD UNDERTAKE A MAJOR
OPERATION TO "CLEANSE ITSELF" OF ELEMENTS WHO HAVE
COME UNDER COMMUNIST INFLUENCE, WHETHER WITTINGLY
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OR UNWITTINGLY. SENU CAUTIONED THAT SUCH "STERN

ACTION" MUST BE HANDLED CAREFULLY IN ORDER TO AVOID SPLITTING THE PARTY. UMNO YOUTH LEADER SYED JAAFAR ALBAR, NOTED FOR OUTSPOKEN ANTI-COMMUNIST VIEWS AND WHOSE STOCK HAS RISEN DRAMATICALLY SINCE SAMAD'S ARREST AND SUBSEQUENT REVELATIONS, CALLED FOR AN UNCOMPROMISING PURGE OF "COMMUNIST STOOGES," REGARDLESS OF STATUS OR POSITION. SAMAD'S BOOKS SHOULD BE BANNED IF FOUND PREJUDICIAL AND NST SHOULD BE COMPLETELY REORGANIZED TO REMOVE ALL FOLLOWERS OF SAMAD, JAAFAR CONTINUED. SUCH PURGES SHOULD NOT BE CONSIDERED MACARTHYISM BUT AS ESSENTIAL FOR NATIONAL SECURITY, HE CLAIMED PATRIOTICALLY. UMNO WOMEN'S DIVISION WILL BE INCREASINGLY VIGILANT AND HENCEFORTH WOULD CAREFULLY SCREEN BACKGROUNDS OF ALL ASPIRANTS FOR MEMBERSHIP, WOMEN'S DIVISION LEADER AISHAH GHANI ANNOUNCED SEPT 6. IN HIS REGULAR WEEKLY COLUMN IN THE "STAR," FORMER PRIME MINISTER TUNKU ABDUL RAHMAN WROTE THAT HIS CONCERN THAT UMNO HAD BEEN INFILTRATED BY COMMUNIST ELEMENTS WAS VINDICATED BY SAMAD'S CONFESSION, CONFIRMING HIS BELIEF THAT "ALL IS NOT WELL WITH UMNO." VARIOUS UMNO DIVISIONS ALSO VOICED SUPPORT FOR PURGE CALL AND ALSO APPLAUDED HOME MINISTER GHAZALI SHAFIE'S ROLE IN THE SUCCESSFUL INVESTIGATION OF SAMAD'S ACTIVITIES. DATUK MOHD. ASRI, PRESIDENT OF ISLAMIC PARTY (PMIP OR PAS, AS IT IS KNOWN), A JUNIOR PARTNER WITH UMNO IN RULING NATIONAL FRONT (NF) COALITION, GRUMBLED THAT UMNO HAD BETTER PUT ITS HOUSE IN ORDER "OR ELSE," ENDORSED VIGOROUS ACTION TO WEED OUT COMMUNIST ELEMENTS FROM GOVERNMENT. A GERAKAN PARTY LOCAL DIVISION CALLED ON ALL NF COMPONENTS TO EMULATE UMNO BY DETECTING AND EXPELLING ANY COMMUNIST AGENTS WITHIN THEIR MIDST AND NF SECRETARY GENERAL GHAFAR BABA SAID SEPT 7 THAT IT WAS THE DUTY OF EACH PARTY WITHIN THE NF TO ACT AS APPROPRIATE TO PREVENT COMMUNIST INFILTRATION. (COMMENT: ALTHOUGH GHAZALI SHAFIE AND JAAFAR ALBAR ARE MET WINNERS FROM SAMAD'S CONFESSION, OTHERS WITHIN UMNO ARE EMBARRASSED AND DISQUIETED BY THIS DEVELOPMENT. A RELIABLE LOCAL JOURNALIST TOLD US CONFIDENTIAL

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THAT SEVERAL OF THESE "YOUNGER ELEMENTS" ALREADY HAVE BEEN INTERROGATED BY POLICE SPECIAL BRANCH. AMONG THE MANY UNANSWERED QUESTIONS ARE GHAZALI SHAFIE'S POLITICAL OBJECTIVES IN SPEARHEADING THE SAMAD INVESTIGATION AND WHERE TENGKU TAZALEIGH, FINANCE MINISTER AND CONTROVERSIAL HEAD OF PETRONAS (NATIONAL PETROLEUM CORPORATION), FITS IN THE PICTURE, AS HE HAS MANY TIES WITH THE NEW

STRAITS TIMES GROUP AND IS RUMORED TO HAVE
BEEN CLOSE TO SAMAD ISMAIL. IT IS INTERESTING
TO NOTE THAT GHAZ SEEMS TO HAVE ATTEMPTED TO PLACE
SOME BLAME ON LATE PRIME MINISTER RAZAK FOR
FAILURE TO ACT UPON INITIAL/WARNINGS ABOUT SAMAD.)

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INFO AMEMBASSY BANGKOK
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C O N F I D E N T I A L SECTION 2 OF 3 KUALA LUMPUR 5155

2. HARUN CASE CONTINUES. HIGH COURT TRIAL OF
FORMER SELANGOR STATE CHIEF MINISTER AND UMNO
YOUTH HEAD DATUK HARUN IDRIS ENTERED EIGHTEENTH
DAY SEPT 7 (SEE K.L. 4603). VOLUMINOUS TESTIMONY
HAS BEEN GIVEN AND REPORTED EXTENSIVELY IN LOCAL
PRESS ON CHARGES THAT DATUK HARUN AND TWO OTHERS
FORGED A DOCUMENT, "FOR THE PURPOSE OF CHEATING,"
TRANSFERRING SHARES HELD BY PEOPLE'S COOPERATIVE
BANK (ON WHICH HARUN SERVED AS A DIRECTOR) TO
FIRST NATIONAL CITY BANK TO SECURE LETTER OF CREDIT
TO FINANCE LAST YEAR'S MUHAMAD ALI/JOE BUGNER
HEAVYWEIGHT BOXING MATCH HERE AND "ABETTED
THE COMMISSION OF OFFENSE OF CRIMINAL BREACH OF
TRUST OF CERTAIN PROPERTY." (COMMENT: ALTHOUGH
IT IS DIFFICULT FOR US NON-LAWYERS TO KEEP UP WITH
THE DETAILS OF THE PROCEEDINGS, OUR GENERAL
IMPRESSION IS THAT THE CHARISMATIC FORMER UMNO

STRONGMAN IS LIKELY TO BE CONVICTED, ADDING TO HIS
LEGAL WOES STEMMING FROM CONVICTION IN MAY ON
SEPARATE CORRUPTION CHARGES--SEE K.L. 1403 AND
1719.)

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3. HARUN AND UMNO. MEANWHILE, ON POLITICAL FRONT
THERE HAS BEEN NO WORD IN THE PRESS RE STATUS OF
HARUN'S APPLICATION TO RE-ENTER UMNO, WHICH DATUK
HUSSEIN ONN IN ROLE OF ACTING UMNO PRESIDENT ANNOUNCED
AUG 8 HAD BEEN REFERRED TO PARTY'S DISCIPLINE
COMMITTEE FOR REVIEW. IN PUBLIC REMARKS HARUN ON
AUG 15 DESCRIBED HIS ACTION AS "AN APPEAL AGAINST
MY EXPULSION" AND THEREFORE HE STILL CONSIDERS
HIMSELF TO BE A PRTY MEMBER UNTIL SUCH TIME AS A
REPLY IS RECEIVED FROM UMNO TO HIS "LETTER OF APPEAL."
HIS HOME BRANCH OF UMNO STILL CONSIDERS HIM A
MEMBER, HARUN ADDED. (COMMENT: THE POSSIBILITY
THAT HARUN WILL BE READMITTED TO UMNO IN NEAR FUTURE
IS REMOTE , BUT HE IS USING EVERY POSSIBLE STRATEGEM
TO KEEP IT ALIVE. SAMAD ISMAIL'S ARREST AND
CONFESSION OF EFFORTS TO SPREAD HIS INFLUENCE AS A
COMMUNIST WITHIN GOVERNMENT AND UMNO/UNDERSCORE HARUN'S
ANTI-COMMUNIST CREDENTIALS. THEY DO NOT, HOWEVER,
CHANGE FACE THAT HE (A) NO LONGER HOLDS GOVERNMENT
OR PARTY OFFICE AND (B) IS FACING SERIES OF LEGAL
PROCEEDINGS AGAINST HIM ON AN ARRAY OF CHARGES
OF CORRUPTION AND ABUSE OF OFFICE.)

4. IGP HANIFF AILING. INSPECTOR GENERAL OF
POLICE (IGP) MOHAMED HANIFF OMAR REMAINS IN
HOSPITAL FOLLOWING HEART ATTACK AUG 22. LOCAL
PRESS NOTED SEPT 3 HE HAD BEEN HOSPITALIZED BUT
DID NOT DISCLOSE REASON. (COMMENT: HANIFF, YOUNG,
PROFESSIONALLY EFFECTIVE AND HIGHLY REGARDED AMONG
ALL RACIAL COMMUNITIES, IS A KEY FIGURE IN THE
GOM'S COUNTERINSURGENCY AND GENERAL SECURITY EFFORTS.
EVEN PRIOR TO THIS HEART ATTACK IT WAS WIDELY
RUMORED THAT HE WAS SUFFERING FROM A SERIOUS MALADY,
MOST PROBABLY LEUKEMIA, FOR WHICH HE RECEIVES
REGULAR TRANSFUSIONS. ALTHOUGH WE ARE
UNAWARE OF THE DEGREE OF SERIOUSNESS OF THIS HEART
PROBLEM IT IS APPARENT THAT HE WILL BE OUT
OF ACTION FOR A NUMBER OF WEEKS, IF NOT MONTHS,
FOLLOWING WHICH RELIABLE CONTACTS REPORT HE WILL
SPEND SEVERAL MONTHS STUDYING AT OXFORD. WE HAVE
BEEN IMPRESSED BY HANIFF, A MAN OF VISION AND
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INTEGRITY, WHOSE LEADERSHIP WILL BE MISSED, EVEN IF HIS ABSENCE IS TEMPORARY. HIS DEPUTY, TAN SRI MAHMOOD YUNUS, REPORTEDLY A SOLID AND HONEST POLICE OFFICER, HAS A REPUTATION FOR GETTING AHEAD ON HIS ABILITY TO COMPROMISE RATHER THAN HIS CAPACITY TO LEAD. YUNUS DOES NOT HAVE HANIFF'S STATURE IN THE GOVT, A STATURE WHICH HAS ENABLED THE IGP TO STAND UP TO THE VOLATILE HOME MINISTER, TAN SRI GHAZALI SHAFIE, AND TO DEAL DIRECTLY WITH PRIME MINISTER HUSSEIN.)

5. LABOR--IBRAHIM ALI REPORT DISPUTE CONTINUES UNRESOLVED. THE DISPUTE BETWEEN THE GOM AND THE CONGRESS OF UNIONS OF EMPLOYEES IN THE PUBLIC AND CIVIL SERVICES (CUEPACS) OVER THE IMPLEMENTATION OF THE IBRAHIM ALI REPORT CONTINUES (SEE K.L. 4867 AND PREVIOUS). ON THE GOVERNMENT SIDE, ON AUG 24 DEPUTY PRIME MINISTER DR. MAHATHIR MOHAMED APPEALED TO UMNO MEMBERS WHO ARE ACTIVE IN THE LABOR UNIONS NOT TO INVOLVE THEMSELVES IN ACTIVITIES WHICH MIGHT THREATEN PARTY UNITY. HE SAID THAT PARTY MEMBERS SHOULD "CHOOSE EITHER THE PARTY WHICH SHOULDERED THE NATION'S ASPIRATIONS OR THE UNIONS WHICH FOUGHT FOR THE INDIVIDUAL'S INTERESTS." ON SEPT 3 CUEPACS ANNOUNCED THAT INDUSTRIAL ACTION WILL BEGIN ON OCT 19 AGAINST THE GOM'S DELAY IN IMPLEMENTING THE IBRAHIM ALI REPORT. THE SAME DAY THE GOVERNMENT EXPLAINED ITS DECISION TO REVIEW THE REPORT FOR SIX MORE MONTHS IN TERMS OF THE COST TO THE GOVERNMENT, THE INFLATIONARY IMPACT, THE EFFECTS ON FIXED INCOME WORKERS, THE INTERNAL DISPARITIES OF PAY INCREASED FOR VARIOUS LEVELS OF GOVERNMENT SERVANTS AND THE IMPACT ON THE THIRD MALAYSIA PLAN OF IMPLEMENTING THE REPORT. VIRTUALLY EVERY NEWSPAPER HAS IN RECENT DAYS COMMENTED ON THE DISPUTE, ALL OF THEM URGING THE UNIONS TO BE MORE REASONABLE IN THEIR DEMANDS AND GENERALLY SUPPORTING THE GOM'S POSITION.

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FM AMEMBASSY KUALA LUMPUR
TO SECSTATE WASHDC PRIORITY 4500
INFO AMEMBASSY BANGKOK
AMEMBASSY JAKARTA
AMEMBASSY MANILA
AMEMBASSY SINGAPORE

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6. MCA MEETS. THE MALAYSIAN CHINESE ASSOCIATION (MCA) HELD ITS 24TH GENERAL ASSEMBLY MEETING ON AUG 22 IN KUALA LUMPUR. IN CONTRAST WITH THE UMNO GENERAL ASSEMBLY MEETING IN JULY (AND REFLECTING THE REALITIES OF MALAYSIAN POLITICAL LIFE), THE MCA MEETING PRODUCED LITTLE OF SIGNIFICANCE. IN HIS SPEECH OPENING THE MEETING, PRIME MINISTER HUSSEIN ONN URGED CHANGES IN THE ATTITUDES OF SOME CHINESE WHO PUT MATERIAL GAIN ABOVE ALL OTHER CONSIDERATIONS, INCLUDING THE INTERESTS OF THE POOR. HUSSEIN SAID THAT ALTHOUGH THE SECURITY SITUATION IS SERIOUS, THERE IS NO NEED FOR THE GOVERNMENT TO ARM AND PROVIDE MILITARY TRAINING TO ALL THE PEOPLE. (ONE OF THE RESOLUTIONS AT THE MCA MEETING WAS A CALL FOR THE GOM TO REINTRODUCE NATIONAL SERVICE TO ENABLE THE PEOPLE TO HELP DEFEND THE COUNTRY). ALTHOUGH THE LATE PM RAZAK HAD ACCEPTED THE IDEA OF NATIONAL SERVICE IN PRINCIPLE, ITS IMPLEMENTATION REQUIRED A LARGE AMOUNT OF MONEY. INSTEAD, SAID HUSSEIN, THE CHINESE SHOULD PARTICIPATE IN SUCH ACTIVITIES AS THE RUKUN TETANGGA CIVILIAN NEIGHBORHOOD PATROLLING SCHEME AND IN THE EXPANDING SECURITY
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FORCES, ESPECIALLY THE POLICE VOLUNTEER RESERVE AND THE TERRITORIAL ARMY. IN HIS SPEECH BEFORE THE GENERAL ASSEMBLY, MCA PRESIDENT AND MINISTER OF LABOR AND MANPOWER DATUK LEE SAN CHOON, CONCENTRATED ON THE RECENTLY ANNOUNCED THIRD MALAYSIA PLAN, NOTING THAT PROPER IMPLEMENTATION WILL REQUIRE AN OVERHAUL OF GOVERNMENTAL MACHINERY AND WELCOMING THE TMP'S STRESS ON REDRESSING

POVERTY REGARDLESS OF RACE AND ITS RECOGNITION THAT URBAN AND NEW VILLAGE POVERTY ARE ALSO SERIOUS NATIONAL PROBLEMS. HE REITERATED THE MCA'S CALL FOR THE INSTITUTION OF A SYSTEM OF NATIONAL SERVICE. THE MEDIA IN ALL LANGUAGES PLAYED UP PM HUSSEIN'S STATEMENT THAT THERE IS NO NEED NOW FOR NATIONAL SERVICE, AND THE MALAY PRESS CONCENTRATED ON HIS ADMONITION AGAINST "MATERIALISTIC" CHINESE.

7. NEW POLITICALLY ORIENTED WEEKLY. "SUARA MERDEKA" (VOICE OF INDEPENDENCE) APPEARED ON NEWSSTANDS SEPT 4. EDITOR SUBKY LATIFF, A WELL KNOWN WRITER OF "INSTANT" BOOKS ON VARIOUS POLITICAL FIGURES AND ISSUES, ANNOUNCED THAT THE NEW MALAY LANGUAGE WEEKLY WOULD REPLACE "SUARA RAKYAT" (PEOPLE'S VOICE), A PRO-HARUN WEEKLY THAT WAS BANNED LAST DECEMBER FOR PUBLISHING (OR ATTEMPTING TO PUBLISH) ARTICLES GOM CONSIDERED OBJECTIONABLE. ALL TEN MEMBERS OF SM EDITORIAL STAFF FORMERLY SERVED ON SR STAFF. INITIAL EDITION CARRIED SEVERAL SPECULATIVE POLITICAL PIECES, INCLUDING UNCONFIRMED REPORTS THAT FORMER USNO PRESIDENT AND EX-SABAH CHIEF MINISTER TUN MUSTAPHA HAS APPLIED FOR MEMBERSHIP IN AN UMNO BRANCH IN KUALA LUMPUR AND THAT SHARHRIR ABDUL SAMAD, POLITICAL SECRETARY TO THE PRIME MINISTER (WHO WILL BE TRAVELING TO THE U.S. LATE THIS MONTH ON AN IVP GRANT), WOULD REPLACE KHALIL AKASSA AS EXECUTIVE SECRETARY OF UMNO. (COMMENT: SM'S FINANCING AND POLITICAL ORIENTATION ARE UNCLEAR BUT ITS FIRST EDITION SUGGESTS ITS FOCUS, LIKE THAT OF "SURARA RAKYAT," WILL BE ON MALAY POLITICS. IT WILL BE INTERESTING TO SEE HOW

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DARING SM WILL BE IN FERRETING OUT "SENSITIVE" INFORMATION AND ATTACKING VARIOUS SACRED COWS, IN VIEW OF THE FATE OF ITS PREDECESSOR.)

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